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 January 27, 2012
 471-0053

LB 952

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS	See below		See below	
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

State statute requires that the Department of Health and Human Services cannot establish premiums, copayments or deductibles or place limits on the amount, scope or duration of services until after a regular session of the Legislature in which there has been an opportunity for legislative consideration. The department notified the Legislature in December of copayment changes and limits on services. This bill prohibits the department from implementing the following changes to copayments and services in the Medicaid and Children's Health Insurance Programs:

- Copayments physical, speech, occupational
- Copayments non-emergency visits
- Managed Care copayments
- Dental copayments
- Home Health limit 240 hours a year
- Private Duty Nursing
- Personal Assistance (NF eligible)
- Personal Assistance 3.5 hrs. per day/60 hrs. per month
- Nutritional supplements
- BH therapy to 60 per year

The Governor in his budget recommendations assumed a half year of savings in FY 13. The proposed savings are shown on charts at the end of this fiscal note along with fully annualized amounts for FY14. The following describes the proposed changes that this bill intends to prohibit.

Copayments

The following changes are proposed to copayments:

Physical, speech and occupational therapy initial visits and evaluations only. The current copay is \$1. This would increase it to \$2. The number of patients impacted would be 1,838 adults.

A copay on non-emergency emergency room visits would be increased from \$3 to \$50. It would impact 11,247 adults. Nebraska exempts clients enrolled in managed care from copayments. Federal law requires copayments to be charged. Although dental services are not covered by managed care, those enrolled in managed care are exempted from the copayment.

Home Health

Home health services would be limited to 240 hours per year. This would impact 160 adults and six children. The average number of hours those clients exceed 240 hours is 351. The average number of hours above the 240 limit is 156 hours. The highest number of hours a single child receives is 421 or 181 hours above the 240-hour proposed limit. The cost per hour range from \$20.57 for an aide; \$27.60 to \$36.80 for nursing services of 2 hours or less and \$81.41 a day for nursing services more than 2 hours.

These clients would be eligible for assisted living and/or nursing facility services and for home and community-based waiver services. The estimated savings assumes 20% of the costs would shift to other services.

Private Duty Nursing

Private Duty Nursing Services are more individual and intensive nursing services than those provided by a visiting nurse. They are optional services under federal Medicaid. The department proposes to eliminate this coverage. Like the home health clients, these would be assisted living or nursing facility eligible. They would also be eligible for home and community-based waiver services. The cost savings assume a shift of 50% of the funding to other services such as personal assistance (which is proposed to be capped) or waiver services. Three hundred and forty one (341) clients would be impacted.

Personal Care Services

There are two limits proposed for personal care services. First, is requiring clients to meet the nursing home level of care. The department estimates that clients who are using less than 60 hours of personal care services a month would be disqualified. Four hundred and two (402) clients would lose services. No shift to another service is assumed. Second, the department is proposing to limit services to 3.5 hours a day with a 60-hour cap per month. This will impact 842 clients. The department assumes 20% of the cost would shift to chore services under the waiver.

These proposed reductions will impact both low and high needs clients. The requirement to meet higher levels of care will eliminate services for the lower needs clients. The cap of 60 hours a month will impact the higher needs clients. Both could potentially increase institutional care. For the lower needs clients, if they are unable to receive services, their conditions could deteriorate. For the higher needs clients, those that are in need of more than 60 hours may not be able to stay in the community safely.

Eliminate Nutritional Supplements

This proposal would eliminate coverage of oral nutritional supplements such as Boost and Ensure for adults and Isomil and Simialc for children. Nutritional supplements given intravenously would be covered. The oral nutritional supplements are covered under the Supplemental Nutrition Assistance Program (SNAP). This reduction would impact 2,732 clients.

Behavioral Health Therapy Visits

Behavioral health therapy visits would be limited to 60 per year. On average, the number of visits above 60 is 17 for adults and 11 for children. If the services are needed but not covered by Medicaid, the problem(s) to be addressed could worsen. The total number of clients impacted would be 226.

The savings for FY 13 and FY 14 are shown on the following page.

Program 348 Medicaid

FY 13

	General	Federal	Total
Copayments physical, speech, occupational	682	868	1,550
Copayments non-emergency visits	153,157	194,768	347,925
Managed Care copayments	23,788	30,251	54,039
Dental copayments	1,012	1,287	2,300
Home Health limit 240 hours a year	628,349	799,068	1,427,418
Private Duty Nursing	978,840	1,244,786	2,223,626
Personal Assistance (NF eligible)	237,059	301,467	538,526
Personal Assistance 3.5 hrs per day/60 hrs per month	1,038,175	1,320,241	2,358,416
Nutritional supplements	279,750	355,757	635,508
BH therapy to 60 per year	42,100	53,539	95,639
Total	3,382,913	4,302,032	7,684,945

FY 14

Program 348 Medicaid

	General	Federal	Total
	1,365	1,735	3,100
Copayments physical, speech, occupational	306,313	389,537	695,850
Copayments non-emergency visits	47,575	60,502	108,077
Managed Care copayments	2,024	2,575	4,599
Dental copayments	1,256,698	1,598,137	2,854,835
Home Health limit 240 hours a year	1,957,680	2,489,572	4,447,252
Private Duty Nursing	474,118	602,934	1,077,052
Personal Assistance (NF eligible)	2,076,349	2,640,483	4,716,832
Personal Assistance 3.5 hrs per day/60 hrs per month	559,501	711,514	1,271,015
Nutritional supplements	84,201	107,077	191,278
BH therapy to 60 per year			
Total	6,765,826	8,604,065	15,369,890

Program 344 CHIP

FY 13

	General	Federal	Total
Private Duty Nursing	2,619	5,881	8,500
Nutritional supplements	3,081	6,919	10,000
Total	5,700	12,800	18,500

Program 344 CHIP

FY 14

	General	Federal	Total
Private Duty Nursing	5,238	11,762	17,000
Nutritional supplements	6,162	13,838	20,000
Total	11,400	25,600	37,000